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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

**\*\*AIP 3/7/2003**

OMB APPROVAL	
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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2002 AND ENDING 12/31/2002  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: LIVINGSTON CAPITAL INVESTORS LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

405 CENTRAL AVENUE

(No. and Street)

CEDARHURST

(City)

NY

(State)

11516

(Zip Code)

PROCESSED

MAR 11 2003

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

SHAYE HIRSCH

(516) 569-9300

(Area Code - Telephone Number)

THOMSON  
FINANCIAL

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

RISCHALL, NEIL DAVID

(Name - if individual, state last, first, middle name)

1146 EAST 32ND STREET

(Address)

BROOKLYN

(City)

NEW YORK

(State)

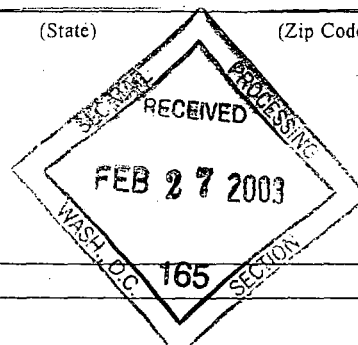
11210

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY



\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I, SHAYE HIRSCH, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of LIVINGSTON CAPITAL INVESTORS LLC, as of DECEMBER 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

2/26/03

Signature

PRESIDENT

Title

Notary Public

CAROLE PASTERNAK  
Commissioner of Deeds  
City of New York No. 2-11920  
Certificate Filed in Kings County  
Commission Expires Feb. 23, 2005

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**Neil D. Rischall**  
**Certified Public Accountant**  
**1146 East 32<sup>nd</sup> Street**  
**Brooklyn, New York 11210**  
**Phone (718) 692-0510**

To the Stockholders of  
Livingston Capital Investors LLC

I have audited the accompanying statement of financial condition of Livingston Capital Investors LLC as of December 31, 2002, and the related statements of income, changes in stockholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Livingston Capital Investors LLC as of December 31, 2002 and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Neil D. Rischall CPA  
Brooklyn, New York  
February 26, 2003

**Neil D. Rischall**  
**Certified Public Accountant**  
**1146 East 32<sup>nd</sup> Street**  
**Brooklyn, New York 11210**  
**Phone (718) 692-0510**

To the Stockholders of  
Livingston Capital Investors LLC

I have examined the financial statements of Livingston Capital Investors LLC for the year ended December 31, 2002, and have issued my report thereon dated February 26, 2003. As part of my examination, I made a study evaluation of the company's system of internal accounting controls, ( which includes the procedures for safeguarding securities to the extent I considered necessary to evaluate the system), as required under generally accepted auditing standards. The purpose of my study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

Also, as required by rule 17a-5(g)1 of the Securities and Exchange Commission, I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Livingston Capital Investors LLC that I considered relevant to the objectives stated in rule 17a-5(g): (1) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a) (11) and reserve required by Rule 15c3-3(e); (2) in making the quarterly securities examinations, counts, verification, and comparisons, and the recordation of differences required by Rule 17a-3; (3) in complying with the requirements for prompt payment for securities of section 8 of regulation T of the Board of Governors of the Federal Reserve System; and (4) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of the customers as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining a system of internal control and the practices and procedures referred to in the previous paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess whether those practices and procedures can be expected to achieve the commissions above-mentioned objectives. The objectives of a system and the practices and procedures are to provide management with a reasonable, but not absolute, assurance that assets for which the company has responsibility are safeguarded against loss from unauthorized use or disposition, and the transactions are executed in accordance with management's authorization and recorded properly to permit the the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5 (g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

To the Stockholders of  
Livingston Capital Investors LLC

Because of the inherent limitations in any internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may nevertheless occur and not be detected. Also, projections of any evaluation of them to any future periods, is subject to the risk that they may become inadequate because changes in conditions or that the degree of compliance with them may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of Livingston Capital Investors LLC taken as whole. However, my study and evaluation disclosed no condition that I believed to be a material weakness.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purpose in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe that the company's practices and procedures were adequate at December 31, 2002 to meet the commission's objectives.

This report is intended solely for the use of management and the Securities Exchange Commission and should not be used for any other purpose.

A handwritten signature in black ink, reading "Neil D. Rischall CPA". The signature is fluid and cursive, with the letters "Neil" and "Rischall" being more prominent.

Neil D. Rischall CPA  
Brooklyn, New York  
February 26, 2003

**Livingston Capital Investors, LLC**  
**Balance Sheet**  
**December 31, 2002**

<b>Assets</b>		
Cash		\$ 31,956
Due from broker		150,504
		<u>\$ 182,460</u>
<b>Liabilites and Stockholders Equity</b>		
<b>Liabilities:</b>		
Accounts payable		\$ 41
		<u>\$ 41</u>
<b>Stockholders Equity</b>		
Paid in Capital		200,000
Retained Earnings		(17,581)
Total Stockholders Equity		<u>182,419</u>
		<u>\$ 182,460</u>

The accompanying notes are an integral part of these financial statements.

**Livingston Capital Investors, LLC**  
**Statement of Operations**  
**for the Year Ended December 31, 2002**

**Revenues:**

Margin, interest, & dividend income	\$ 416
Other income	88

Total Revenues	504
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**Expenses:**

Dues & subscriptions	14,831
Rent	1,350
Insurance	1,261
Telephone	603
Travel & Entertainment	40

Total expenses	18,085
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Net loss	\$ (17,581)
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The accompanying notes are an integral part of these financial statements.

**Livingston Capital Investors, LLC**  
**Statement of Changes in Stockholders Equity**  
**for the Year Ended December 31, 2002**

	<b>Common Stock</b>	<b>Paid-in Capital</b>	<b>Retained Earnings</b>
Balances at January 1, 2002	\$ 0	\$ 0	\$ 0
Net loss			(17,581)
Paid in Capital		200,000	0
Balances at December 31, 2002	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ (17,581)</u>

The accompanying notes are an integral part of these financial statements.



**Livingston Capital Investors, LLC**  
**Computations of Net Capital**  
**December 31, 2002**

	Schedule I
Total Shareholders Equity	182,419
	<u>182,419</u>
Non-Allowable Items:	
less: Non-Allowable Assets	<u>0</u>
Net Capital before haircuts	182,419
Haircuts:	<u>(3,008)</u>
Net capital	179,411
Calculation on aggregate indebtedness:	
Total liabilities	41
less: Non-AI items	<u>0</u>
Aggregate indebtedness:	41
Computation of basic net capital requirement	
Minimum net capital required (based on aggregate indebtedness)	3
Minimum dollar requirement	100,000
Net capital requirement	100,000
Actual net capital	179,411
Excess net capital	79,411
Excess net capital - 1000%	<u><u>179,407</u></u>
Ratio: Aggregate indebtedness to net capital	<u><u>0%</u></u>
Debt/Debt Equity	<u><u>0%</u></u>

The accompanying notes are an integral part of these financial statements.

**Livingston Capital Investors, LLC**  
**Statement of Cash Flows**  
**for the Year ended December 31, 2002**

Cash flows form operations:

Net income	\$	(17,581)
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Adjustments to reconcile net income to cash:

Changes in Liabilities:

Increase in accounts payable	41	
		41

Cash flows from financing:

Capital contributed	200,000	
Increase in due from brokers	(150,504)	
Net increase in cash	31,956	

Cash at January 1, 2002		0
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Cash at December 31, 2002	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black;">31,956</div>
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The accompanying notes are an integral part of these financial statements.

## **Statement regarding SEC Rule 15c3-3**

Livingston Capital Investors LLC is an introducing broker or dealer, clears all transactions with and for customers on fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such book and records pertaining thereto pursuant to the requirements of 240.17a-3 and 240.17a-4 of this chapter, as are customarily made and kept by a clearing broker or dealer. As such Livingston Capital Investors LLC is exempt from the following:

1. Computation for Determining SEC Rule 15c3-3 Reserve Requirement.
2. Information relating to Possession or control Requirements under SEC Rule 15c3-3.

## **Livingston Capital Investors LLC**

### **Notes to Financial Statements**

#### **Significant Accounting Policies:**

1. The computation of net capital and the computation for the determination of reserve requirements in this report does not differ materially from the unaudited computation independently submitted by Livingston Capital Investors LLC.
2. Livingston Capital Investors LLC has elected not to be subject to the provisions of Rule 15c3-3 and has no "Special Reserve Bank Account".
3. Information for possession or control requirements under rule 15c3-3 : All customer's fully paid for securities were either in possession or control of Livingston Capital Investors LLC, or when not, were the result of temporary lags which resulted from normal business operations.